

PROJECT SHELTER WAKADOGO

Financial Statements

Year Ended August 31, 2016

(Unaudited)

PROJECT SHELTER WAKADOGO
Index to Financial Statements
Year Ended August 31, 2016
(Unaudited)

	Page
REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Cash Flow	5
Notes to Financial Statements	6 - 9

REVIEW ENGAGEMENT REPORT

To the Members of Project Shelter Wakadogo

We have reviewed the statement of financial position of Project Shelter Wakadogo as at August 31, 2016 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the Organization.

A review does not constitute an audit and, consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Dorward & Company LLP

Edmonton, Alberta
February 23, 2017

CHARTERED ACCOUNTANTS

PROJECT SHELTER WAKADOGO

Statement of Financial Position

August 31, 2016

(Unaudited)

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 115,872	\$ 85,931
Accounts receivable	1,893	1,993
	<u>117,765</u>	<u>87,924</u>
CAPITAL ASSETS (Note 4)	<u>181,510</u>	<u>171,658</u>
	<u>\$ 299,275</u>	<u>\$ 259,582</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 5,000	\$ 10,487
NET ASSETS		
General fund	43,337	45,043
Capital asset fund	181,510	171,658
Externally restricted fund	69,428	32,394
	<u>294,275</u>	<u>249,095</u>
	<u>\$ 299,275</u>	<u>\$ 259,582</u>

ON BEHALF OF THE BOARD OF TRUSTEES

_____ *Trustee*

_____ *Trustee*

PROJECT SHELTER WAKADOGO
Statement of Revenues and Expenditures
For the Year Ended August 31, 2016
(Unaudited)

	2016	2015
REVENUES		
Unrestricted donations	\$ 84,279	\$ 86,070
Restricted donations	69,429	32,394
School fees	36,129	24,129
	<u>189,837</u>	<u>142,593</u>
EXPENDITURES		
Project and teaching staff salaries	60,997	48,571
School meals	34,636	36,388
Classroom, exams and graduation	15,758	16,075
Amortization	13,474	13,318
Professional fees	5,753	5,609
Repairs and maintenance	4,028	7,836
Interest and bank charges	2,928	908
Fuel and lubricants	2,177	2,086
Telephone and internet	2,023	4,049
Medical program	1,748	1,854
Travel	916	1,309
Insurance	484	417
Advertising and donor appreciation	101	1,110
Agriculture project	57	57
	<u>145,080</u>	<u>139,587</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	<u>44,757</u>	<u>3,006</u>
OTHER INCOME		
Gain on disposal of capital assets	313	-
Interest income	110	42
	<u>423</u>	<u>42</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 45,180</u>	<u>\$ 3,048</u>

PROJECT SHELTER WAKADOGO

Statement of Changes in Net Assets

Year Ended August 31, 2016

(Unaudited)

	General fund	Capital asset fund	Externally restricted fund	2016	2015
NET ASSETS - BEGINNING OF YEAR	\$ 45,043	\$ 171,658	\$ 32,394	\$ 249,095	\$ 246,047
	-	-	-	-	-
Excess of revenues over expenses	58,341	(13,161)	-	45,180	3,048
Transfer to capital asset fund	(23,013)	23,013	-	-	-
Transfer to (from) restricted net assets	(37,034)	-	37,034	-	-
NET ASSETS - END OF YEAR	<u>\$ 43,337</u>	<u>\$ 181,510</u>	<u>\$ 69,428</u>	<u>\$ 294,275</u>	<u>\$ 249,095</u>

PROJECT SHELTER WAKADOGO

Statement of Cash Flow

Year Ended August 31, 2016

(Unaudited)

	2016	2015
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 45,180	\$ 3,048
Items not affecting cash:		
Amortization of capital assets	13,474	13,318
Gain on disposal of capital assets	(313)	-
	<u>58,341</u>	<u>16,366</u>
Changes in non-cash working capital:		
Accounts receivable	98	2,066
Accounts payable	(5,486)	2,892
	<u>(5,388)</u>	<u>4,958</u>
Cash flow from operating activities	<u>52,953</u>	<u>21,324</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(23,537)	(26,551)
Proceeds on disposal of capital assets	525	-
Cash flow used by investing activities	<u>(23,012)</u>	<u>(26,551)</u>
FINANCING ACTIVITY		
Short term debt	-	(3,313)
INCREASE (DECREASE) IN CASH FLOW	<u>29,941</u>	<u>(8,540)</u>
Cash - beginning of year	<u>85,931</u>	<u>94,471</u>
CASH - END OF YEAR	<u>\$ 115,872</u>	<u>\$ 85,931</u>

PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2016

(Unaudited)

1. PURPOSE OF THE ORGANIZATION

Project Shelter Wakadogo (the "Organization") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta. As a registered charity the Organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Organization operates a school in Uganda.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2016

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Buildings	4%	declining balance method
Furniture and equipment	20%	declining balance method
Motor vehicles	30%	declining balance method
Computer equipment	30%	declining balance method

The Organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Income taxes

As a not-for-profit organization and a registered charity, the society is exempt from paying income taxes under Section 149(1)(f) of the Income Tax Act.

General fund

These amounts are not restricted and are available for any purpose approved by the Board of Trustees.

Externally restricted fund

The externally restricted fund balance consists of restricted amounts governed by terms and conditions set out by the donor and are not available for unrestricted purposes without the approval of the donor.

Capital asset fund

The balance represents Project Shelter Wakadogo net investment in capital assets. It is the original asset cost, less accumulated amortization, debt directly related to capital assets, and any deferred contributions related to the assets.

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PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2016

(Unaudited)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Project Shelter Wakadogo follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as revenue of the general fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Callable debt

The Organization's demand loans are classified as current liabilities because the lender has the right to demand repayment within one year.

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of August 31, 2016.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. In order to reduce its credit risk, the Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of customers which minimizes concentration of credit risk.

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PROJECT SHELTER WAKADOGO

Notes to Financial Statements

Year Ended August 31, 2016

(Unaudited)

3. FINANCIAL INSTRUMENTS *(continued)*

(b) Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Buildings	\$ 149,132	\$ 21,903	\$ 127,229	\$ 114,442
Furniture and equipment	58,490	31,475	27,015	28,964
Land	21,075	-	21,075	21,075
Motor vehicles	12,468	7,027	5,441	6,105
Computer equipment	3,306	2,556	750	1,072
	<u>\$ 244,471</u>	<u>\$ 62,961</u>	<u>\$ 181,510</u>	<u>\$ 171,658</u>
